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Weekly Hog Report

October 14, 2014

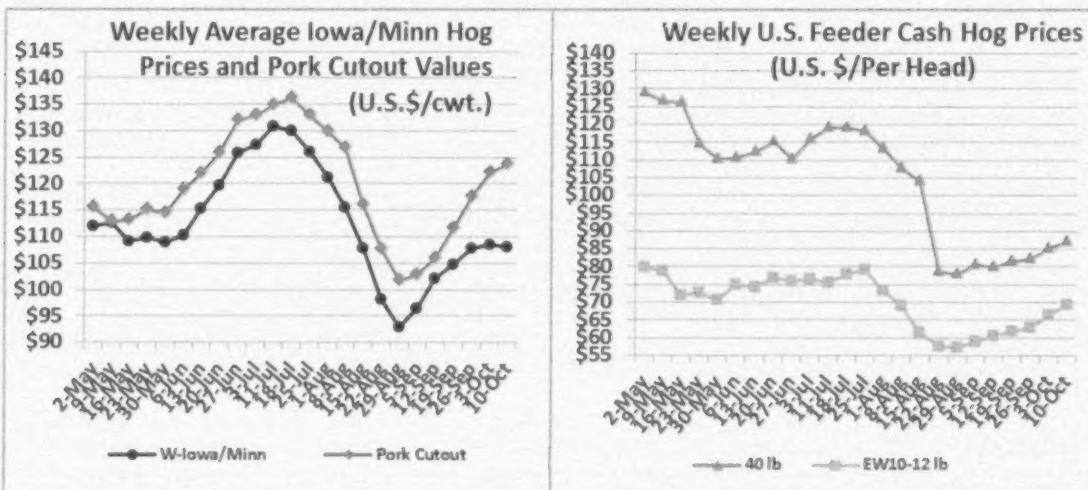
Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were mixed last week edging lower, week-over-week. Hog prices on Friday averaged US\$107.29 per cwt, down US\$0.34 per cwt or 0.3 per cent from US\$107.63 per cwt the previous Friday. The negotiated base price for the week averaged US\$107.95 per cwt, down US\$0.60 per cwt or 0.5 per cent from US\$108.55 per cwt the previous week. Strong pork cutout values continue to support hog prices as weekly hog slaughter numbers moved higher last week.

In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday October 10, 2014 was \$217.48 per ckg, down \$4.01 per ckg or 1.8 per cent from \$221.49 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged \$221.13 per ckg, down \$0.79 per ckg or 0.4 per cent from the previous weeks' average price of \$221.92 per ckg. The Canadian dollar edged higher last week and closed Friday at 89.15 cents, up 0.33 cents from the previous Friday close of 88.82 cents.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices edged higher last week. Weighted average cash prices for iso-weans (12lb) last week were US\$69.43 per head, up US\$3.10 per head from US\$66.33 per head the previous week. Feeders (40lb) were US\$87.17 per head, up US\$2.23 per head from US\$84.94 per head the previous week.



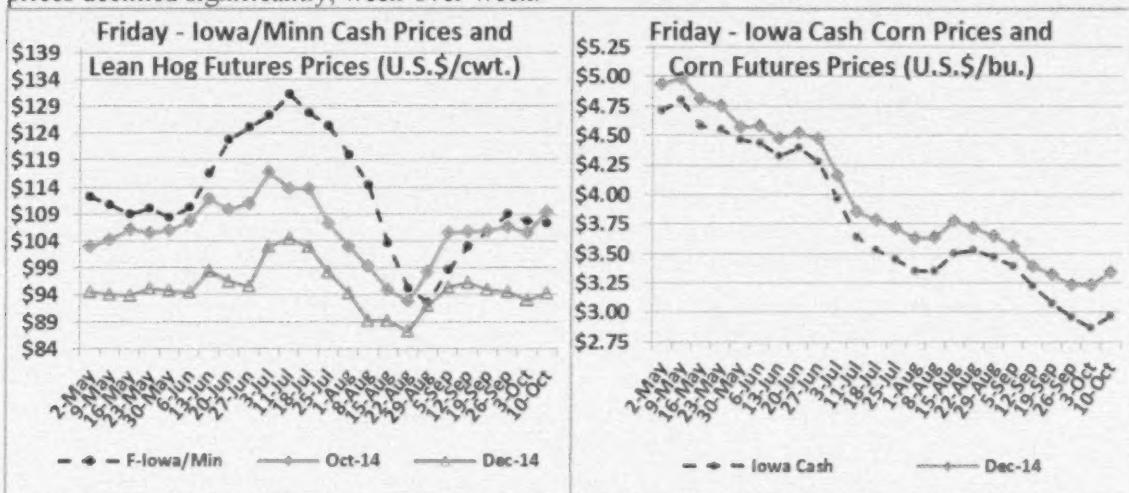
Source: LMIC

Source: LMIC

Futures Markets

Lean hog futures prices were higher over the week with nearby contracts up between US\$1.375 per cwt and US\$3.850 per cwt, week over week. The October contract increased US\$3.850 per cwt to settle Friday at US\$109.450 per cwt, while the December contract increased US\$1.375 per cwt to settle Friday at US\$94.400 per cwt.

The nearby corn, wheat, soybean and gold futures prices were higher while crude oil prices declined significantly, week-over-week.



Source: CME

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Iowa cash corn prices rebounded last week increasing 9 cents per bushel, week-over-week, to end Friday at US\$2.96 per bushel. The December and March corn futures contracts were also higher with the December contract increasing almost 11 cents to settle Friday at US\$3.34 per bushel, while the March 2015 corn futures contract increased over 10 cents to settle Friday at \$3.46 ¾ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection last week ending October 11 were estimated at 2.136 million head, up 2.2 per cent from 2.090 million head the previous week, but down 6.3 per cent from 2,281 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks averaged 2.090 million head, down 5.7 per cent from 2.216 million head the same four week period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending October 4, 2014 were estimated at 407,986 head, down 2.5 per cent from 418,423 head the previous week, and down 2.9 per cent from 420,209 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending October 4 were estimated to average 417,343 head, down 0.7 per cent from 420,105 head over the same period a year ago.

In Western Canada, federal and provincial hog slaughter numbers for the week ending October 4, 2014 were estimated at 162,284 head, down 6.2 per cent from 172,995 head the previous week, and down 1.8 per cent from 165,264 head the same week a year ago. Year-to-date hogs slaughtered in Western Canada have totaled 6.614 million head, up 1.6 per cent from 6.512 million head over the same period in 2013.

Meat Production

U.S. pork production for the week ending October 11 was estimated at 453.6 million lb., up 2.2 per cent from 443.4 million lb. the previous week, but down 4.0 per cent from 472.6 million lb. the same week a year ago. Pork production over the last four weeks ending October 11 was estimated to average 443.4 million lb., up 2.8 per cent from 456.1 million lb. over the same four week period a year ago.

U.S. beef production for the week ending October 11 totaled 460.2 million lb., down 3.4 per cent from 476.4 million lb. a week ago, and down 5.3 per cent from 485.7 million lb. over the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending October 4, 2014, was estimated at 1.997 billion lb., up 0.2 per cent from 1.992 billion lb. over the same four weeks a year ago, but down 1.6 per cent year-to-date.

United States Weekly Meat Production

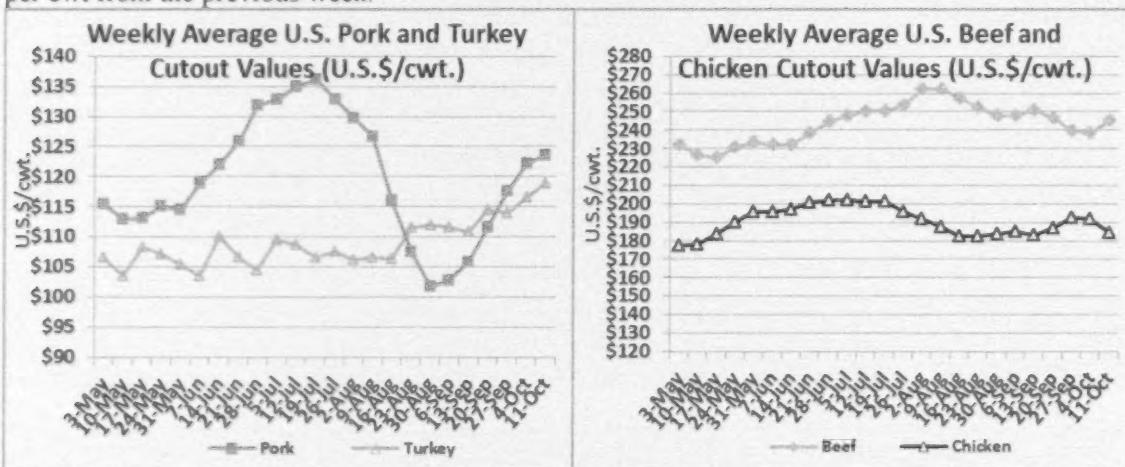
(Oct. 4) Four Week Average - Million Lb.		Percent Change	
	2013	2014	4wk. 2014
Pork	448.7	438.7	-2.2%
Beef	500.1	473.6	-5.3%
Chicken	918.1	944.9	2.9%
Turkey	125.5	139.5	11.1%
Total	1,992.4	1,996.6	0.21%
			-1.63%

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending October 11, 2014 averaged US\$123.56 per cwt, up US\$1.43 per cwt or 1.2 per cent from US\$122.13 per cwt from the previous week.

Average beef cutout values (Choice 600-900 lb.) for the week ending October 11 averaged US\$245.26 per cwt, up US\$7.07 per cwt from the average price of US\$238.19 per cwt from the previous week.



Source: LMIC

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North American meat cutout values have been strong so far this fall with beef prices leading the way. Pork cutout values have improved significantly since early September increasing over 20 per cent. Chicken cutout values edged lower last week but still close to their 52 week high. Turkey cutout values moved higher the last few weeks before Thanksgiving to price levels not seen since October 2011.

For more information contact:

Brad Marceniuk, PAg, MSc, BSA
Provincial Livestock Economist
(306) 933-5098
brad.marceniuk@gov.sk.ca